

# **Greater Nashville Trends & Opportunities 2010-2040**

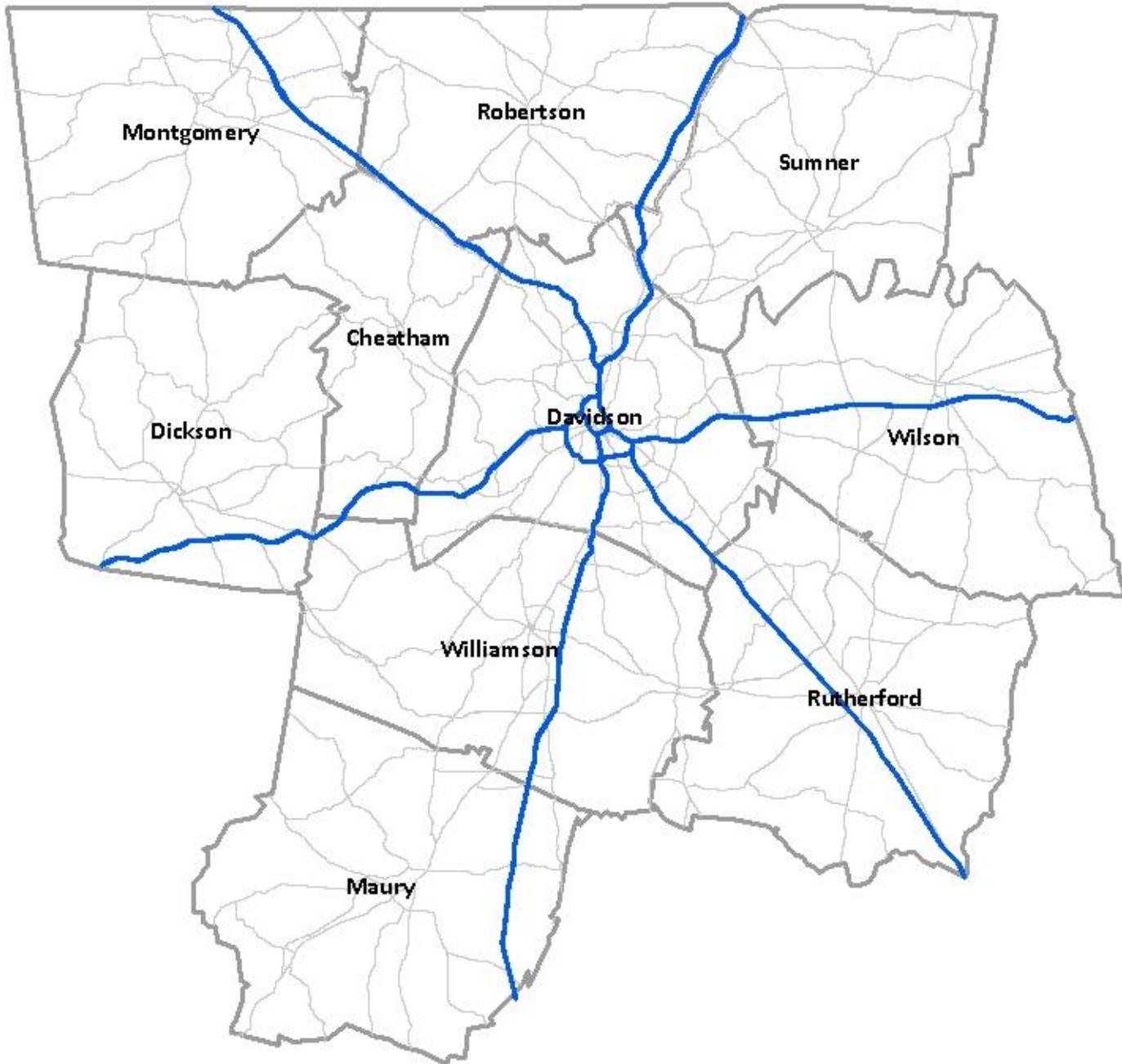
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**Director, Master of Real Estate Development**

**University of Utah**

**October 9, 2013**



FOREWORD BY CONGRESSMAN EARL BLUMENAUER

# Reshaping Metropolitan America

*Development Trends  
and Opportunities to 2030*



ARTHUR C. NELSON

# Trends, Preferences & Opportunities

## Trends

- Population
- Households
- Housing

## Preferences

## Opportunities

# New Housing Market Realities

**Sub-prime mortgages are history.**

**20% down-payments are the new normal.**

**Meaning**

- *Smaller homes → maybe more people per unit*
- *Smaller lots → more attached units*
- *More renters → including doubled-up renters*

# Population & Household Change 2010-2040

Metric	United States	Tennessee	Greater Nashville
<b><i>Population (000s)</i></b>			
Population 2010	309,350	6,357	1,761
Population 2040	406,417	8,910	3,097
Change, 2010-2040	97,067	2,553	1,335
Percent Change, 2010-2040	31%	40%	<b>76%</b>
<b><i>Households (000s)</i></b>			
Households 2010	116,945	2,498	680
Households 2040	152,171	3,485	1,191
Household Change, 2010-2040	35,226	987	511
Percent Change, 2010-2040	30%	40%	<b>75%</b>

Source: Arthur C. Nelson

# Population Race/Ethnicity Change 2010-2040

Metric	United States	Tennessee	Greater Nashville
<b>Pop. Change 2010-2040</b>	97,067	2,553	1,335
<b>White Non-Hispanic</b>			
White NH Population 2010	201,912	4,886	1,306
White NH Population 2040	210,932	6,061	1,896
White NH Change	9,020	1,176	590
White NH Share	9%	46%	<b>44%</b>
<b>New Majority</b>			
New Majority Pop. 2010	107,438	1,471	456
New Majority Pop. 2040	195,485	2,849	1,201
New Majority Change	88,046	1,378	745
New Majority Share	91%	54%	<b>56%</b>

Source: Arthur C. Nelson

# Population 65+ Change 2010-2040

<b>Metric</b>	<b>United States</b>	<b>Tennessee</b>	<b>Greater Nashville</b>
Population 65+ 2010	40,331	855	182
Population 65+ 2040	81,250	2,453	463
Population 65+ Change	40,919	1,598	280
Percent Change	101%	187%	154%
Growth Share	42%	63%	<b>21%</b>

Source: Arthur C. Nelson

# Net Change in Households by Type, 2010-2040

Metric	United States	Tennessee	Greater Nashville
<b><i>Baseline Households by Type 2010</i></b>			
HHs with Children 2010	34,814	710	212
HHs without Children 2010	82,131	1,787	468
Single-Person HHs 2010	31,264	672	179
<b><i>Change in Household Growth by Type, 2010-2040</i></b>			
HHs with Children 2040	41,486	913	357
HHs with Children Growth	6,672	202	145
<b>HHs with Children Share</b>	19%	20%	<b>28%</b>
HHs without Children 2040	110,685	2,572	834
HHs without Children Growth	28,554	785	366
<b>HHs without Children Share</b>	81%	80%	<b>72%</b>
Single-Person HHs 2040	46,902	1,107	353
Single-Person HHs Growth	15,638	435	174
<b>Single-Person HHs Share</b>	44%	44%	<b>34%</b>

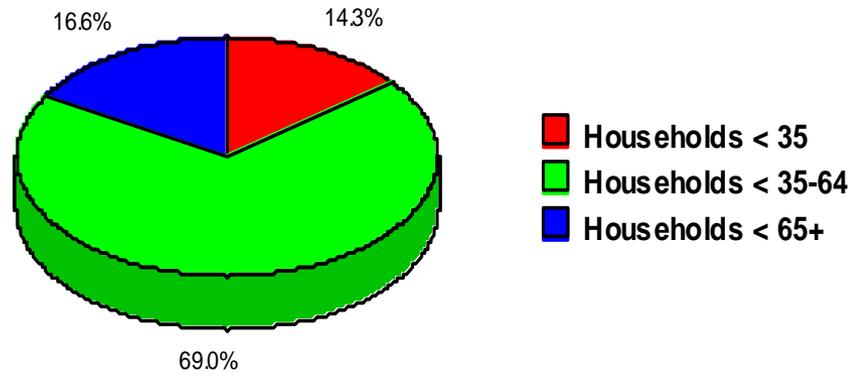
Source: Arthur C. Nelson

# Net Change in Households by Age, 2010-2040

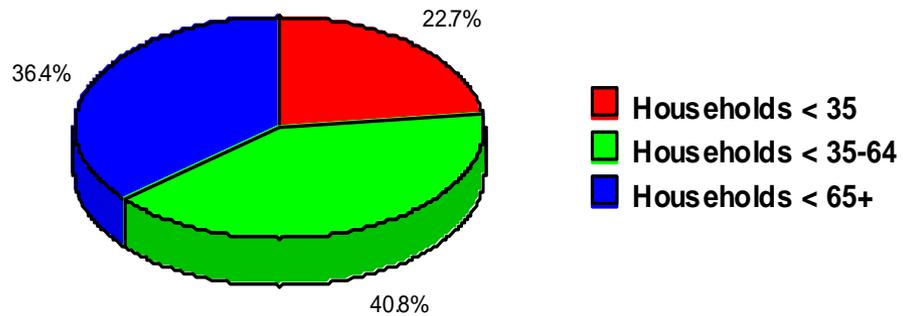
Metric	United States	Tennessee	Greater Nashville
<b><i>Change in Household Growth by Age, 1990-2010 (000s)</i></b>			
Household Change	24,951	635	247
Change in Households <35	(1,285)	12	35
Change in Households 35-64	20,457	478	172
Change in Households 65+	5,779	154	41
<b>Households &lt;35 Share</b>	0%	2%	<b>14%</b>
<b>Households 35-64 Share</b>	78%	74%	<b>69%</b>
<b>Households 65+ Share</b>	22%	24%	<b>17%</b>
<b><i>Change in Household Growth by Age, 2010-2040 (000s)</i></b>			
Household Change	35,226	987	511
Change in Households <35	5,885	198	116
Change in Households 35-64	10,041	298	209
Change in Households 65+	19,300	491	186
<b>Households &lt;35 Share</b>	17%	20%	<b>23%</b>
<b>Households 35-64 Share</b>	29%	30%	<b>41%</b>
<b>Households 65+ Share</b>	55%	50%	<b>36%</b>

Source: Arthur C. Nelson

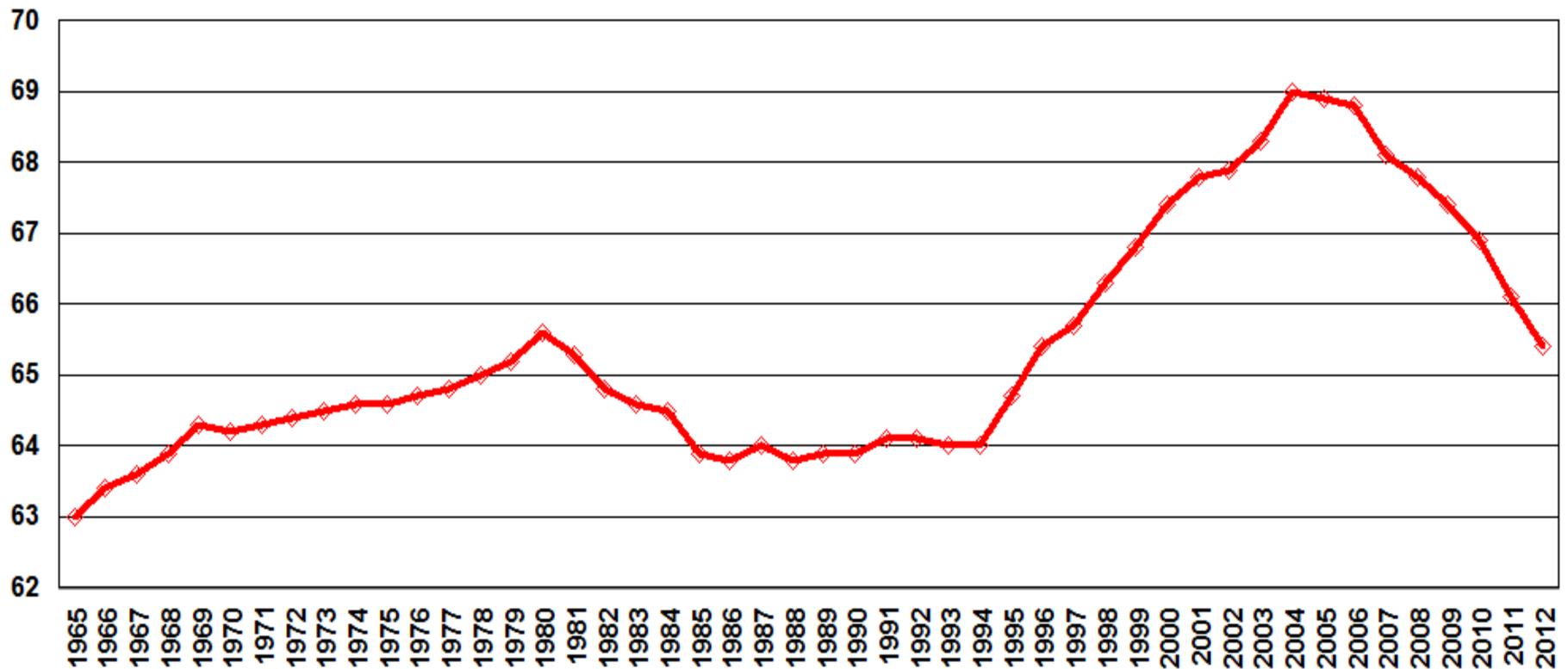
## Growth Share 1990-2010



## Growth Share 2010-2040

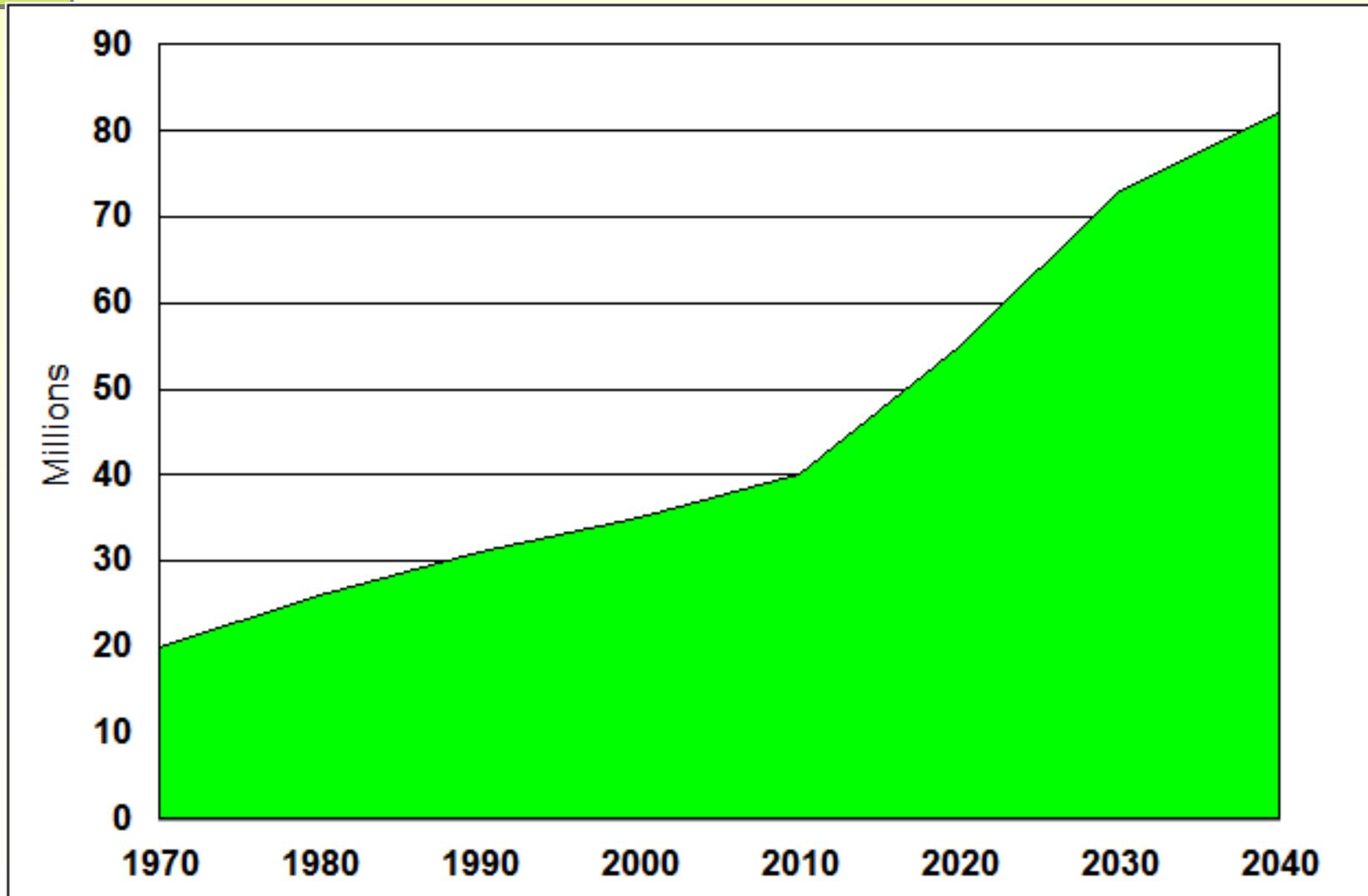


# Home Ownership Rates US 1965-2012



Source: Adapted from Census

# Number of Seniors 1970-2040



Source: Arthur C. Nelson, Metropolitan Research Center, University of Utah

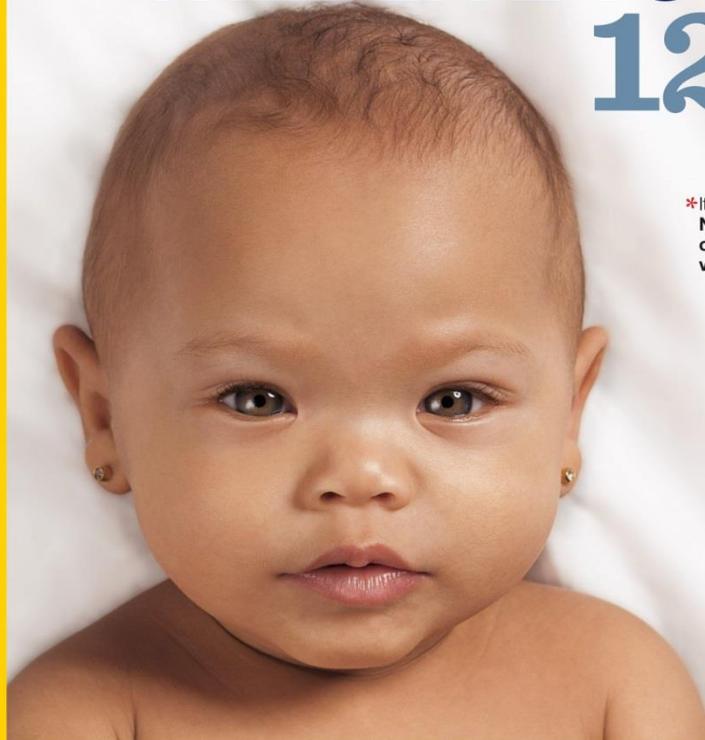
CELEBRATING 125 YEARS OF EXPLORATION

Siberian Paradise | Mixed Blessing of Fertilizer

NGM.COM MAY 2013

# NATIONAL GEOGRAPHIC

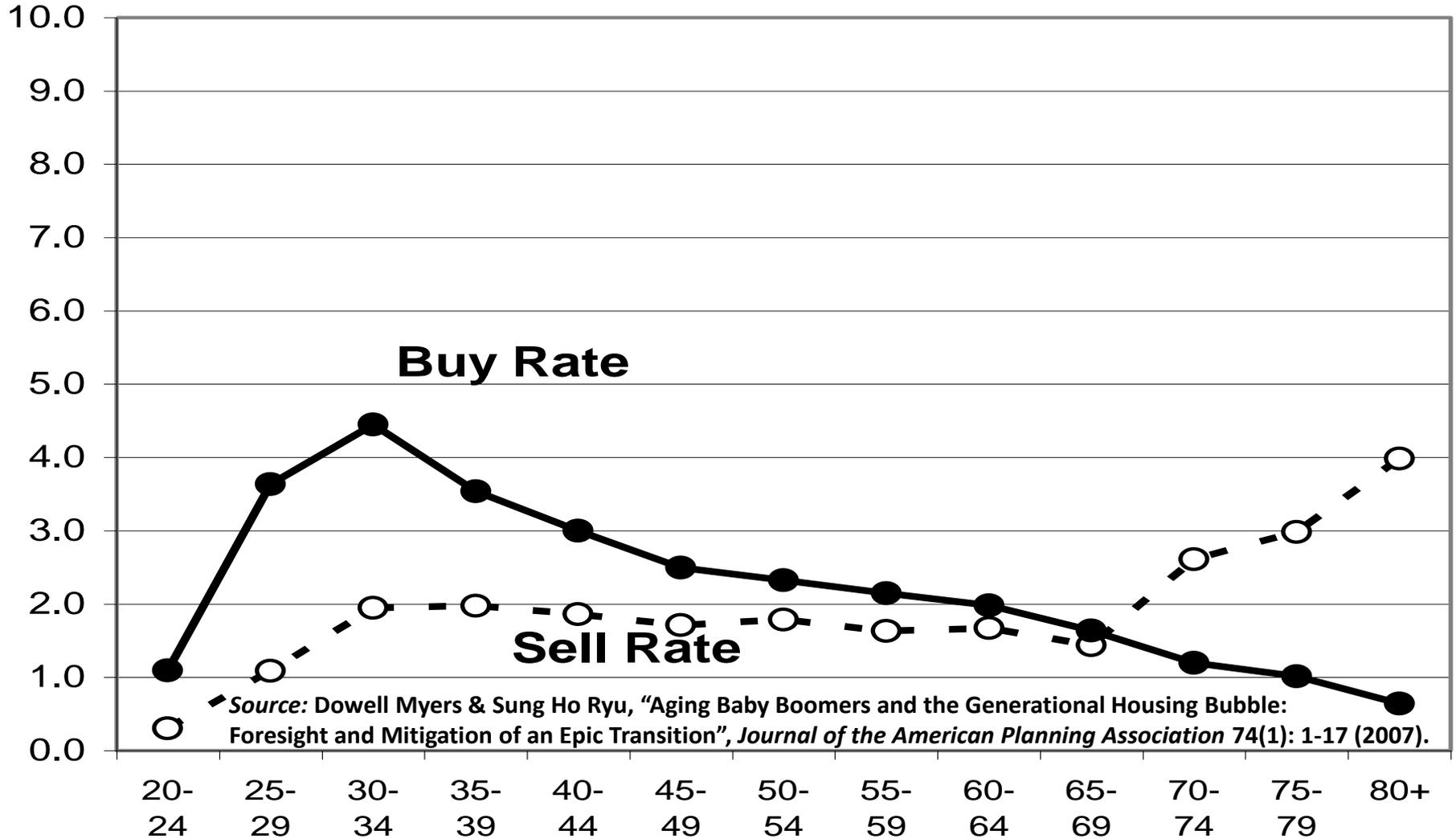
**THIS BABY  
WILL LIVE TO BE  
120\***



\*It's not just hype.  
New science  
could lead to  
very long lives.

# Buy-Sell Rates by 5-Year Age Cohort

AHS



# The Great Senior Sell Off Begins 2016

Householder Age	Owners Who Move Annually	Owner to Renter Percent
All HHs 70+	4.0%	52%
All HHs 75+	3.9%	60%
All HHs 80+	4.1%	68%
All HHs 85+	4.5%	79%

Seniors may be unable to unload **4M+** homes during the 2020s.  
They may “age-in-place” involuntarily.

*Source:* Adapted from American Housing Survey raw data, Metropolitan Research Center, University of Utah

California  
 Alaska  
 Wyoming  
 Montana  
 Washington  
 Hawaii  
 Colorado  
 Oregon  
 Utah  
 Idaho  
 New Mexico  
 Arizona  
 Nevada  
 Michigan  
 Indiana  
 Illinois  
 Ohio  
 Wisconsin  
 North Dakota  
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 Oklahoma  
 Georgia  
 Tennessee  
 North Carolina  
 Arkansas  
 South Carolina  
 Florida  
 Connecticut  
 New York  
 Rhode Island  
 Pennsylvania  
 Maryland  
 Maine  
 New Jersey  
 Massachusetts  
 Vermont  
 New Hampshire  
 Delaware

# THE GREAT SENIOR SELL-OFF 2020

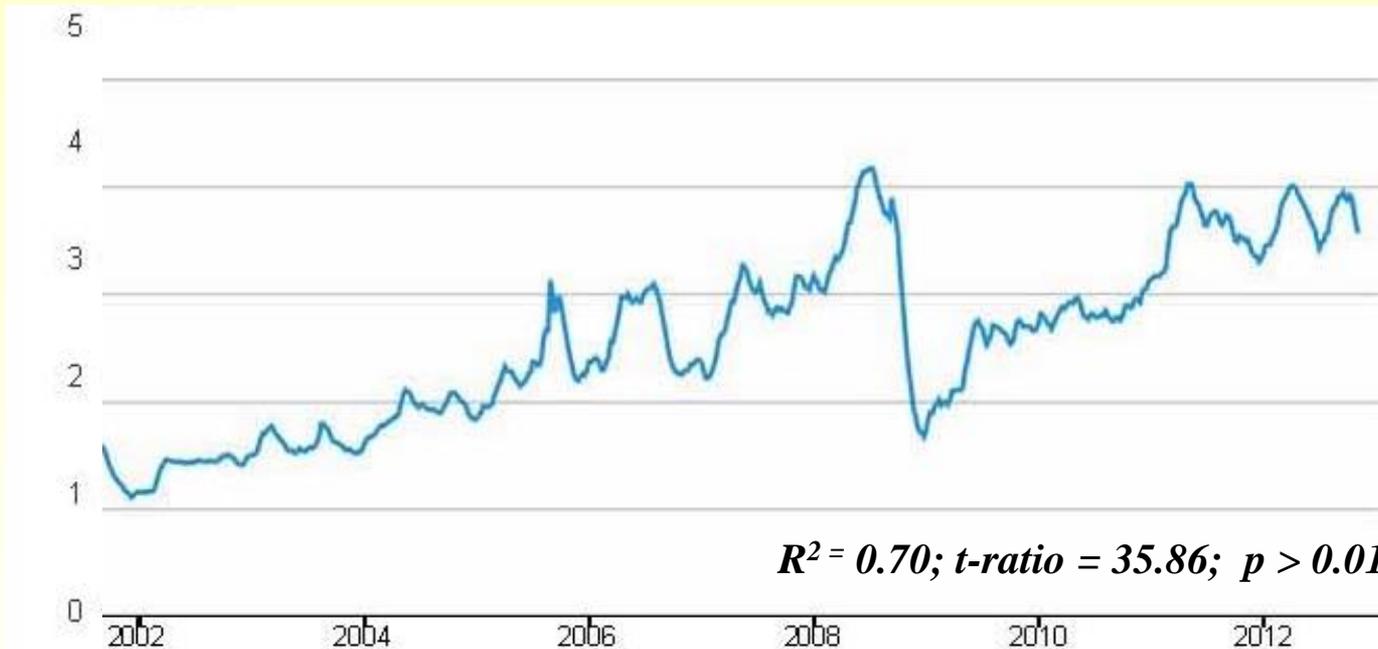
BUY  
 SELL



Source: Dowell Myers & SungHo Ryu, "Aging Baby Boomers and the Generational Housing Bubble: Foresight and Mitigation of an Epic Transition", *Journal of the American Planning Association* 74(1): 1-17 (2007). Figures for net buying or selling rate age.

# Weekly US Gasoline Prices

## *In Nominal Dollars*



**2002-2012 gasoline prices rose at 10%+ per year, compounded. At this rate gasoline prices will be →**

**\$8+/gallon by 2020**

**~\$15/gallon by 2030**

Source: Adapted from Energy Information Administration (2012).

[http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM\\_EPM0\\_PTE\\_NUS\\_DPG&f=W](http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_NUS_DPG&f=W)

# Conservative Ownership Change, 2010-2040

Metric	United States	Tennessee	Greater Nashville
<b><i>Baseline 2010</i></b>			
Home Owners 2010	76,133	1,704	450
Renters, 2010	40,812	794	229
<b><i>Ownership Rate, 2010</i></b>	65.1%	68.2%	<b>66.2%</b>
<b><i>Tenure Analysis 2010-2040</i></b>			
Homeowners, 2040	94,013	2,294	769
Renters, 2040	58,158	1,191	422
<b><i>Ownership Rate, 2040</i></b>	61.6%	65.8%	<b>64.5%</b>
Change in Homeowners	18	590	318
Change in Renters	17	397	193
Total Change in Households	35	987	511
<b><i>Owner Share of Change</i></b>	51%	60%	<b>62%</b>
<b><i>Renter Share of Change</i></b>	49%	40%	<b>38%</b>

Source: Arthur C. Nelson

# Stated Preference Shares for Major Housing Unit Types by Major Household Types to 2040

Household Type	Attached	Small Lot	All Other Lot	Growth Share to 2040
Households with children	32%	26%	42%	28%
Non-single person households without children	40%	22%	38%	38%
Single-person households	53%	21%	26%	34%
<b>All households, growth-weighted</b>	<b>41%</b>	<b>23%</b>	<b>36%</b>	

Tennessee/selected adjacent states

Source: Adapted from NAR (2011), Arthur C. Nelson

# Stated Preference Distribution for Major Housing Unit Types by Major Household Types 2040

Household Type	Household Growth	Attached	Small Lot	All Other Lot
Households with Children	357	114	93	150
Non-single person HHs without children	481	192	106	183
Single-Person Households	353	187	73	93
<b>Total</b>	<b>1,191</b>	<b>494</b>	<b>271</b>	<b>426</b>
Share		41%	23%	36%

Tennessee/selected adjacent states

Source: Adapted from NAR (2011), Arthur C. Nelson



**The New Promised Land?**

# **Tear Up a Parking Lot, Rebuild Paradise**

**Large, flat and well drained**

**Single, profit-motivated ownership**

**Major infrastructure in place**

**4+ lane highway frontage → “transit-ready”**

**Committed to commercial/mixed use**

**Can turn NIMBYs into YIMBYs**

Slide title phrase adapted from Joni Mitchell, *Big Yellow Taxi*, refrain: “Pave over paradise, put up a parking lot.”

# Life-Span of Building

Years

200  
150  
100  
50  
0

Source: Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah, based on DoE Commercial Buildings Energy Consumption Survey.

Retail

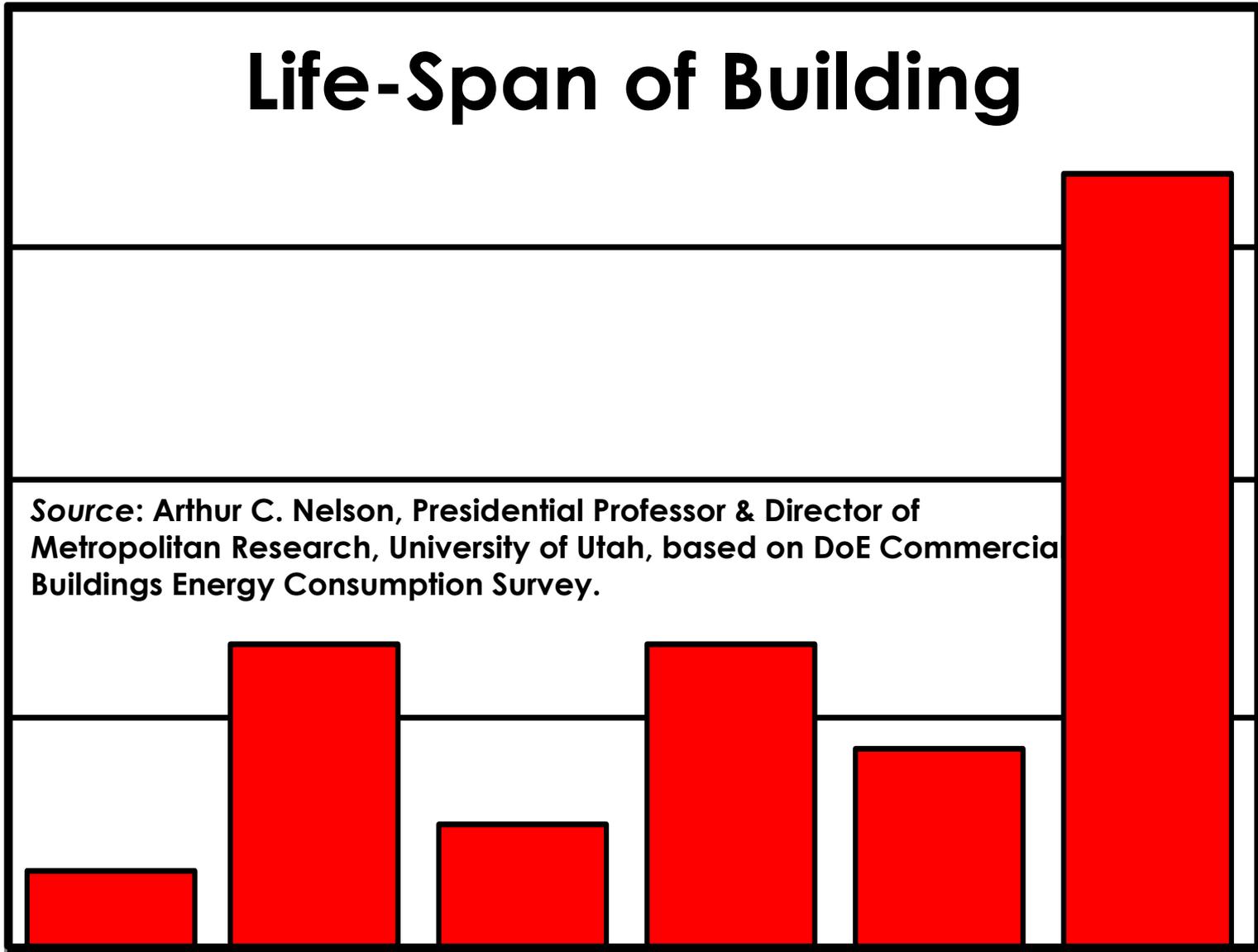
Office

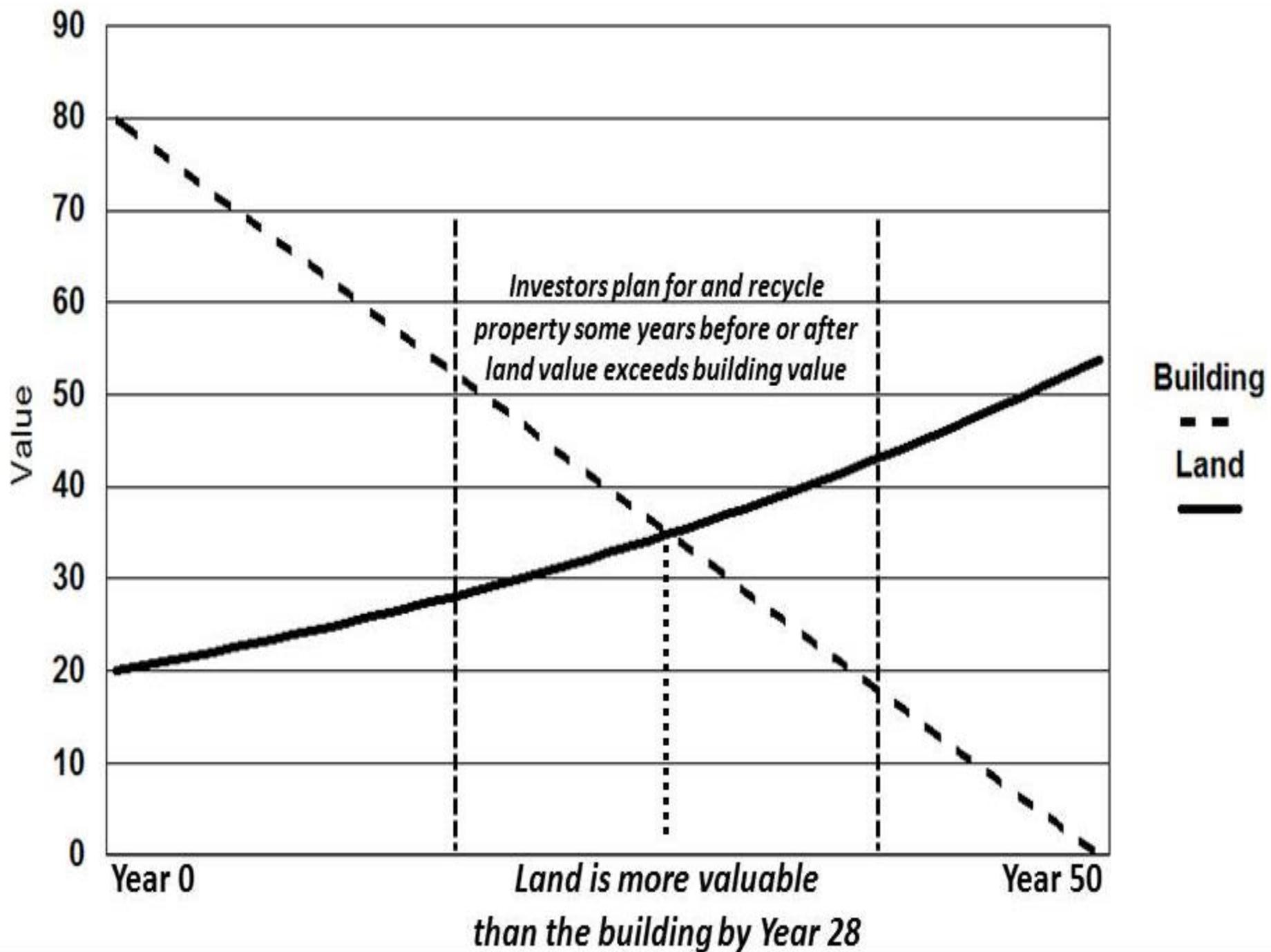
Warehouse

Education

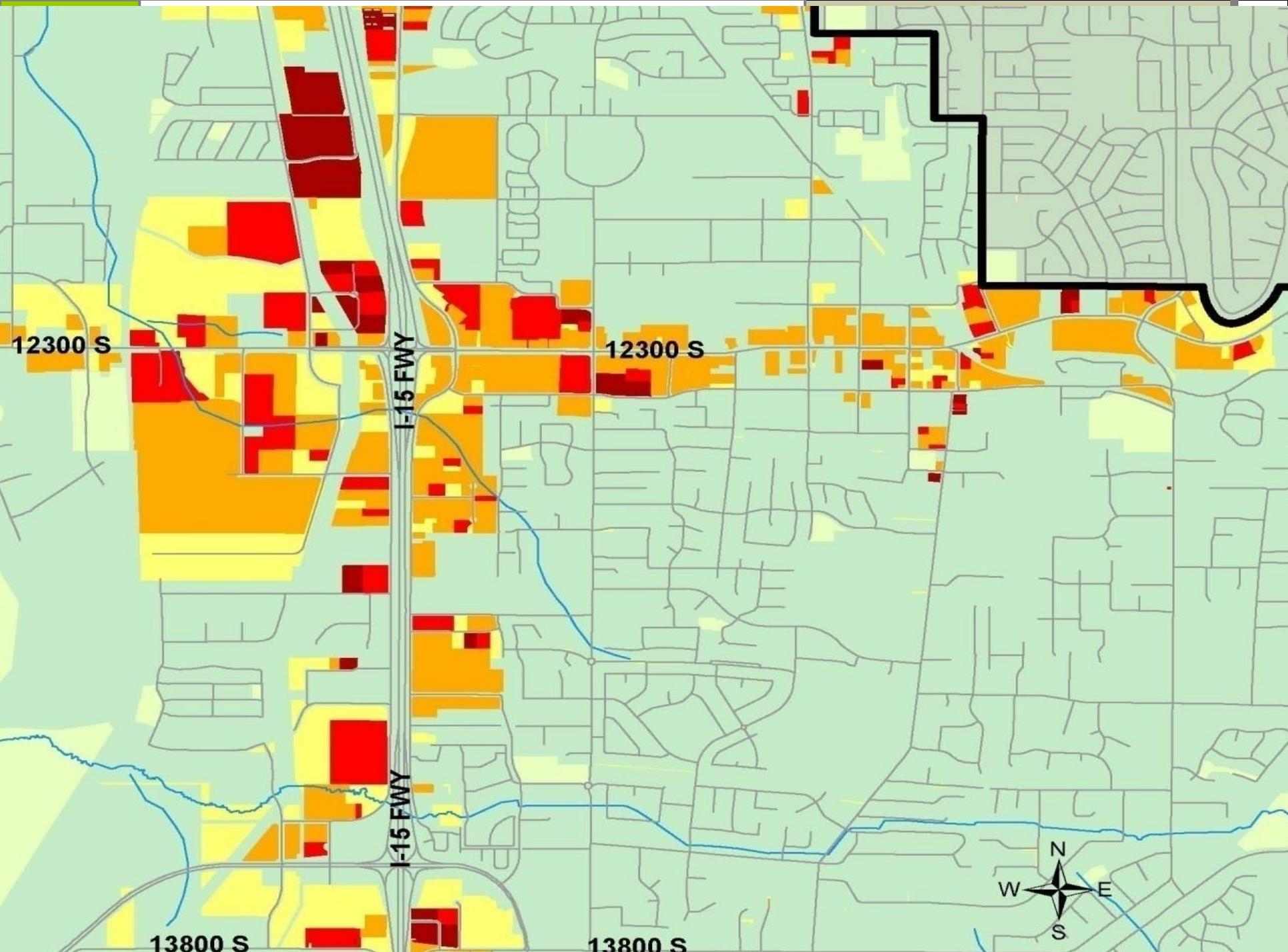
Nonres.

Homes









12300 S

12300 S

13800 S

13800 S

I-15 FWY

I-15 FWY

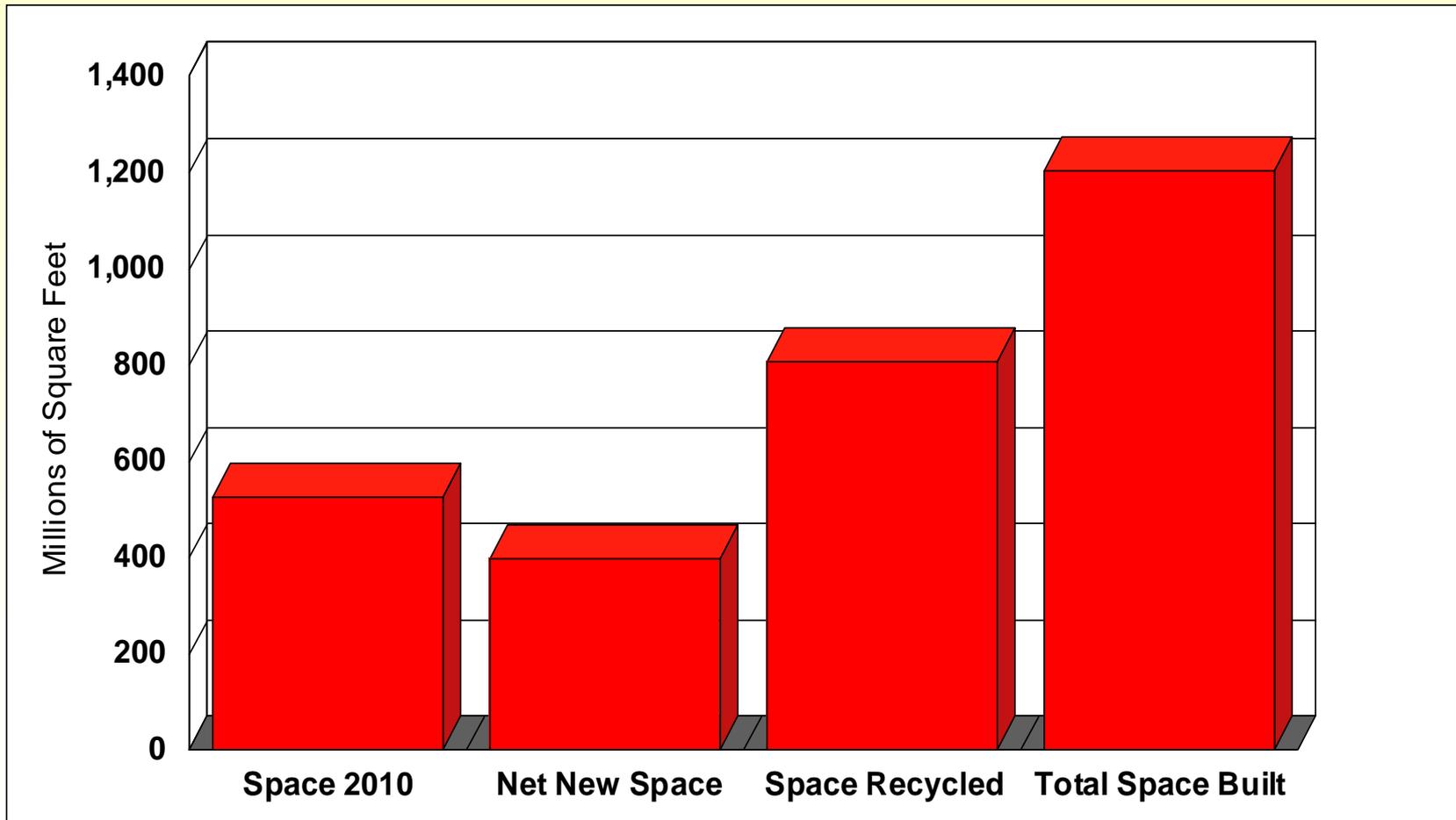


# Job Growth 2010-2040

<b>Sector</b>	<b>2010</b>	<b>2040</b>	<b>Change 2010-2040</b>	<b>Percent Change</b>	<b>Share of Change</b>
Industrial	151	176	25	16%	3%
Office/Services	461	856	395	86%	47%
Retail/Lodging/Food	201	360	159	79%	19%
Institutional	181	436	255	141%	31%
<b>Total</b>	<b>994</b>	<b>1,828</b>	<b>834</b>	<b>84%</b>	

Source: Arthur C. Nelson

# Nonresidential Development 2010-2040



Source: Arthur C. Nelson

# Nonresidential Development 2010-2040

Nonresidential Space	2010	2040	Change 2010-2040	Percent Change	Share of Change
Space Supported	527	925	398	75%	33%
Space Recycled			<b>807</b>		<b>67%</b>
Total New Construction			<b>1,205</b>		
New Construction as Share of Space 2010					<b>228%</b>

Source: Arthur C. Nelson

# Observations

**Greater Nashville will grow by 76%**

**The New Majority will account for 56% of growth**

**HHs without children will account for 72% of HH growth**

**Single-person HHs will account for 34% of HH growth**

**Renters will be 40% of new residential demand**

**Detached = 59% of demographic-weighted preference survey demand in 2040 but ...**

**Attached (41%) + small lot (23%) = 64% of 2040 demand**

**Nonresidential construction = 2.3 times 2010 supply →  
redevelopment = 67% of all space existing in 2010**

**All new jobs + attached housing needs can be met  
through corridor/node redevelopment with transit  
options.**

***Thank You***